



Audit of the Bureau of Industry and Security's Enforcement Efforts to Combat China's Military-Civilian Fusion Strategy

Audit Report OIG-26-021-A

June 23, 2026

➤ **What We Audited** | Our objective was to assess the adequacy of the actions BIS has taken to enforce export controls for China. Specifically, we assessed whether BIS conducted post-shipment verifications for China and Hong Kong within the required timeframes and took the required steps to hold potential violators accountable for noncompliance with export control regulations.

➤ **Why This Matters** | In recent years, BIS has amended export regulations to counter China's Military-Civilian Fusion strategy. To monitor the compliance of China and other foreign end users with export laws and regulations, BIS conducts two types of reviews, pre-license checks and post-shipment verifications. For this audit, we focused on post-shipment verifications, which help strengthen assurances that all end users are complying with export laws and licenses.

With export control officers performing post-shipment verifications on less than 1 percent of the total items exported each year to China and Hong Kong, it is vital for BIS to monitor the verification process. If BIS's oversight is inadequate, Chinese end users that violate export regulations may evade accountability. Inadequate oversight also weakens BIS's enforcement efforts for items of concern exported to China and Hong Kong that could be used to modernize China's military capabilities.

➤ **What We Found** | We found that BIS has not taken adequate action to enforce export controls for China and Hong Kong. Specifically, BIS is not effectively monitoring post-shipment verifications for exported items of concern to China and Hong Kong. For the open verifications we reviewed, we found that BIS management did not ensure that the verifications had been conducted. They also did not consistently review and approve completed verifications within the timeframes outlined in BIS guidance or effectively use them to hold potential violators accountable.

➤ **What We Recommend** | We made two recommendations to BIS to improve its quality control and monitoring of post-shipment verifications. BIS concurred with our recommendations and is working to implement them.